



## **Minnesota Farm Bureau Federation®**

August 13, 2008

Gary Van Meter, Deputy Director  
Office of Regulatory Policy  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090

Dear Mr. Van Meter,

The Minnesota Farm Bureau Federation appreciates the opportunity and is pleased to offer comments in support of a proposed regulation for the Farm Credit System's (FCS) Mission Related Investment Authority.

Minnesota Farm Bureau is a general farm organization, representing nearly 30,000 members throughout the state. Our organization's mission is to be an advocate for agriculture driven by the beliefs and policies of our members. As an advocate for agriculture, we realize that the success of agriculture directly corresponds with the success and economic development of rural Minnesota. In order for our rural communities to remain strong and flourish investments need to be made.

Rural community economic development is dependent on having broader financing tools, which provide greater capital capacity and long-term fixed rate financing available. As state and federal funding is reduced because of budget constraints, more burden falls to the private sector to address capital needs to ensure that rural communities have reliable access to funding that will support new investments in the community facilities and infrastructure improvements necessary for their success.

Independent Community Banks and rural organizations have a passion for serving communities and regions in which they are located and they are well positioned to do so. Yet, Minnesota rural communities are reliant on multiple sources of capital whether from deposits, the Federal Home Loan Banks or other sources to secure necessary financing to support our communities and keep their economies strong and vibrant. In the current credit environment, having access to another source of stable and reliable funding is especially important.

The FCA has stated that the purpose of the regulation is to allow FCS institutes "to make investments in rural communities and to support and supplement investments by government, commercial banks, and venture capital funds." The Farm Credit Association (FCA) in Minnesota has established a collaborative model in working with partners. This collaboration coupled with the purpose of the regulation will not only provide our rural community banks with access to the additional capacity and long-term fixed rate financing so they can make investments in their rural communities, but, it will also provide an opportunity for new partnerships and enhanced access to U.S. Department of Agriculture programs and industry expertise.

Minnesota Farm Bureau supports and stands behind Minnesota's rural communities. It is essential that investments in these communities continue to be made. This proposed regulation is one of the tools that will make this possible so our communities can continue to remain strong and competitive in the future.

Sincerely,

Kevin Paap  
President